

To: Susan Shanks and Toby LaFrance, City of Tigard
From: Todd Chase, FCS GROUP
CC: Derek Chisholm, Otak
RE: Parks and Trails Funding Options for River Terrace

Date: November 4, 2013

INTRODUCTION

This document identifies River Terrace parks and trail funding options available to Tigard. The purpose of this memorandum is to provide input for discussion by city staff, elected officials and interested stakeholders prior to the formulation of a locally preferred financing and funding strategy.

CURRENT GOVERNANCE AND FUNDING SOURCES

The City owns and operates 392 acres¹ of developed parks and open space. The Parks Division of the Public Works Department manages these assets, which fall into the following categories:

- Neighborhood/pocket parks
- Community parks
- Linear parks
- Open space
- Trails

New Construction

The Parks Division currently finances its capital needs with a combination of voter-approved general obligation (GO) bond proceeds and parks system development charges (SDCs).

In the current fiscal year (2013-14), over half of parks-related capital expenditures will be financed with proceeds of a \$17 million bond issue that voters approved in November, 2010. The parks bond referendum included provisions that limited funding amounts for land acquisition (at least 80% of funds with 10% targeted in downtown) and parks facilities development (up to 20% of funding). This is the final year that these bond proceeds will be available for parks acquisition/development.

Tigard's parks SDCs were recently updated in 2012 to account for the planned capital improvements in the Park System Master Plan (adopted in 2009) and the Trail System Master Plan (adopted in 2011). The current Tigard parks SDCs for selected land use types (rates effective as of July 1, 2013) are as follows:

¹ http://www.tigard-or.gov/community/parks/docs/parks_brochure.pdf

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Existing Tigard Parks SDCs

Single Family Unit (per detached residential unit, including duplex units on individual lots, and attached townhomes)	\$5,996.87
Multi-Family Unit (includes apartments and condominium units)	\$4,793.04
Commercial/Industrial (per employee – see Permit Coordinator for specifics)	\$414.71

Operations

The Parks Division has current budgeted operational needs of \$1.7 million per year. While the City does charge various fees for users of park facilities, revenue from user fees amount to approximately \$50,000 per year. Hence, the majority of parks operating revenues are derived from the General Fund (which obtains funding from a variety of sources, including property tax collections). According to city staff, annual capital outlay for replacement of existing parks assets is less than the annual depreciation expense for these assets. This imbalance results in increasing amounts of deferred maintenance.

Exhibit 1 summarizes parks-related resources and requirements in recent years:

Current Funding of Parks in Tigard					Exhibit 1
Description	Fund	Actual		Budget	
		FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
<u>Capital Funding</u>					
Resources					
Bond proceeds	Parks Bond	\$ 7,277,499	\$ 2,396,213	\$ 5,877,628	\$ 4,851,205
SDCs	Parks SDC	2,278,104	435,366	2,566,000	2,051,808
Fund balance and other		3,683,734	(214,392)	376,000	681,634
Total resources		<u>\$ 13,239,337</u>	<u>\$ 2,617,187</u>	<u>\$ 8,819,628</u>	<u>\$ 7,584,647</u>
Requirements					
Capital projects	Parks Capital	\$ 12,957,489	\$ 2,334,477	\$ 8,819,628	\$ 7,584,647
Debt service	Parks SDC	281,848	282,710		
Total requirements		<u>\$ 13,239,337</u>	<u>\$ 2,617,187</u>	<u>\$ 8,819,628</u>	<u>\$ 7,584,647</u>
<u>Operational Funding</u>					
Resources					
Park revenue	General	\$ 58,137	\$ 67,055	\$ 44,923	\$ 42,677
Other revenues	General	1,372,067	1,442,819	1,583,030	1,654,397
Total resources		<u>\$ 1,430,204</u>	<u>\$ 1,509,874</u>	<u>\$ 1,627,953</u>	<u>\$ 1,697,074</u>
Requirements	General	<u>\$ 1,430,204</u>	<u>\$ 1,509,874</u>	<u>\$ 1,627,953</u>	<u>\$ 1,697,074</u>
FTE positions		9.75	9.75	9.75	9.75
Source: FY 2013-14 City budget documents (fund_summaries.pdf and public_works.pdf)					

Source: FY 2013-14 City budget documents (fund_summaries.pdf and public_works.pdf)

POTENTIAL FUNDING SOURCES

In addition to the current funding sources for parks and trails that are identified above, the City could consider several potential new means of funding construction and ongoing operation of parks and trails in the River Terrace plan district. At this stage in the planning process, we are listing the potential parks and trails funding sources that have legal precedence in Oregon. Potential sources of capital and operating funding for parks and trails are identified and evaluated in Exhibit 2.

New Construction

Financing options for capital needs are the same whether the park system is governed by the City or by a park and recreation district.

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Specific capital funding options include:

- General Fund
- Parks User Fees
- Parks SDCs (citywide or within River Terrace District)
- Multimodal System Development Charges (may include trails/transportation facilities not reflected in current Tigard Parks SDC and be citywide or within River Terrace District)
- Special Assessments (such as Local Improvement Districts or Reimbursement Districts)
- Urban Renewal Area
- Parks and Trails Facility Maintenance and Development Utility Fee (citywide or within River Terrace District)
- Bonds (General Obligation Bonds, Full Faith & Credit Bonds, Revenue Bonds, etc.)
- Grants and Loans
- Developer Land/Easement Dedications and Improvements
- Permanent rate property tax collected by a newly formed special district

General Fund

The General Fund can be used to fund any part of a park system, but these monies tend to be scarce and highly competitive among other functions of local government (such as funding for administration, libraries, parks and police). Within the General Fund are several sources of funding, such as property taxes and franchise fees.

Parks User Fees

The park system currently generates limited revenue from user fees. The City could review the pricing of these fees for a possible increase.

Parks SDCs

ORS 223.297 to 223.314 allows local governments to impose SDCs for capital improvements related to parks. SDCs are one-time fees imposed on new development or certain types of major redevelopment. They are intended to recover a fair share of the costs of existing and planned facilities that provide capacity to serve growth. SDCs cannot be used for operation or routine maintenance.

As mentioned above, the City already has SDCs for parks and trails. These could be updated to include additional capital projects within River Terrace. The process of adopting a new methodology report and Parks SDC citywide may result in a higher parks SDC for any new development in the City. However, the disadvantage with this approach is that there would be no assurance that a parks project within the River Terrace area would receive SDC funding in the near-term as there are dozens of other SDC eligible projects slated for construction.

Another SDC option for the City includes adopting a new Supplemental River Terrace Parks SDC, which would only affect future development within River Terrace. An advantage of this approach is that the City could dedicate these supplemental SDC funds to eligible parks and trails projects within River Terrace. A possible disadvantage may include increasing the overall development fees in River Terrace to a level that dissuades private investment activity.

Special Assessments

Local governments can assess specific property owners that benefit from the construction of a local (i.e., neighborhood) park through local improvement districts (LIDs) or reimbursement districts.

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ORS 223.387 to 223.401 provides local governments the statutory authority to establish LIDs and levy special assessments on the benefited property to pay for improvements. LIDs result in upfront or annual payments from affected property owners within a district. LIDs are payable in annual installments for up to 30 years. LIDs are generally used for capital improvement projects that benefit numerous large tenants and/or private property owners. The future revenue stream generated by LIDs can be used by local governments to obtain financing through the use of loans or bonds.

Similar to LIDs are reimbursement districts. Local governments can negotiate public/private advance financing arrangements with developers, where a developer agrees to front capital improvements/investment (such as a new local park) within a designated zone of benefit district (ZBD). The local government that adopts a zone of benefit applies a special development impact fee that is charged based on a proportional benefit to properties for the capital infrastructure. The developer is then partially reimbursed when future land use development approvals are granted within the ZBD over a period that usually extends 10-15 years. However, there is no guarantee that future revenues will be as steady and reliable as LID or property tax assessments.

Urban Renewal Area

There may be opportunities to utilize funding from the creation of a new River Terrace Urban Renewal Area (URA) for eligible economic development improvements in accordance with ORS Chapter 457. In many cases, URA funds are combined with other local funding sources (e.g., LIDs) to leverage non-local grants or loans.

Maximum Indebtedness Requirements

After the passage of House Bill 3056 (passed by the Oregon Legislature in 2009) urban renewal agencies have new limits on the amounts of maximum indebtedness (MI) in an urban renewal plan adopted after January 1, 2010.

- ◆ If the total “frozen tax base” is \$50 million or less (as in the case of River Terrace where existing assessed market valuation was \$31.84 million in 2013), the total MI may not exceed \$50 million (ORS 457.190(4)(a)).
- ◆ Under ORS 457.220, increases in MI may not exceed an aggregate of 20% of the original MI of the UR Plan, but with an “indexing” of the original MI from July 1, 1999 or one year after the plan was initially approved, whichever is later. Indexing may only happen once.

Revenue Sharing Possibilities

There are also new possibilities for revenue sharing with overlapping districts for plans adopted or substantially amended to increase MI after January 1, 2010.

Revenue sharing among overlapping tax districts begins in the later of the 11th year after the initial plan was adopted, or when division of tax collections equal or exceed 10% of the initial MI.

For any year when division of tax collections equal or exceed 10% of the initial MI, but are less than 12.5% of the initial MI, the UR agency receives the 10%, plus 25% of the tax increment between 10% and 12.5%. Overlapping tax districts receive 75% of the tax increment between 10% and 12.5%.

For any year when division of tax collections equal or exceed 12.5% of the initial MI, the UR agency receives the 12.5% tax increment, and any tax increment collections greater than 12.5% are distributed to overlapping taxing districts.

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Concurrence Waivers

Variations in the maximum indebtedness requirements and the revenues sharing provisions can occur if the municipality obtains the written concurrence of the overlapping tax districts that impose at least 75% of the taxes imposed under the permanent rate limits in the URA.

In light of these and other URA provisions, the City may consider the creation of a new River Terrace URA in accordance with requirements set forth in ORS Chapter 457.

Parks and Trails Facility Maintenance and Development Utility Fee

A parks utility fee is an ongoing fee (often billed monthly) that provides revenue for the needs of the park system. When charged by a city, such a fee can be an additional line item on an existing utility bill. The revenue earned can be used for both operational and capital needs, and it can be pledged to the debt service of revenue bonds.

Establishment of a parks utility fee in Oregon requires compliance with legal requirements at both state and local levels. Based on our experience and understanding of statutory requirements, we offer three recommendations when implementing a new parks utility fee:

- ◆ **Design a parks utility fee that is distinct from a property tax.** This can be accomplished by (1) distinguishing between utility customers and property owners, (2) not allowing uncollected fees to become a lien on property, and (3) designing a rate structure that is based on cost of service.
- ◆ **Draft an ordinance for adoption into the City's municipal code.** Such an ordinance is required to provide local authority to impose a parks utility fee.
- ◆ **Provide a public hearing** prior to enactment to comply with ORS 294.160(1).

Currently we are aware of three jurisdictions within the State of Oregon that charge a parks utility fee. The cities of West Linn, Medford and Talent charge customers within their city limits a monthly fee that is used primarily for maintaining city-owned parks, recreation facilities and open spaces. The monthly fees per single-family residence are \$2.95 in Medford, \$3.00 in Talent, and \$10.70 in West Linn.

Bonds

As the City is aware, bonds are a common means of financing park projects whose benefits are not confined to a single local area. General obligation (GO) bonds are advantageous, because their debt service is funded by a property tax levy that is outside the limits of Measure 5.

While GO bonds do require voter approval, park measures have had a positive approval record in Tigard.

On November 2, 2010, Tigard voters passed a \$17 million general obligation bond to fund the purchase of real property for parks and to fund a limited amount of park improvements. This summer the city broke ground on four projects—funded in full or in part by revenue from the Tigard voter-approved \$17 million park and open space bond. Projects included:

- A new section of the Fanno Creek Trail—connecting Main St. to Grant Ave.—will be built.
- Improvements at East Butte Heritage Park, including a playground, picnic shelter, restroom, walking paths and a sidewalk along 103rd Ave.
- A wooden bridge to be constructed in Jack Park. The bridge will connect the newly purchased park property to the existing park.
- At the Fanno Creek House on Hall Blvd., parking areas will be improved and bike racks and landscaping will be installed.

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Revenue bonds are a form of debt financing that does not require voter approval. However, revenue bonds do require an ongoing source of revenue that can be pledged to payment of debt service. A parks utility fee, whether established by the City or a park and recreation district, could serve this purpose. Revenue bonds are subject to debt service coverage requirements.

A hybrid of these two bond types is the full faith and credit obligation (FFCO). This type of bond represents an unsecured claim on all the revenue streams of an agency without the pledge of any particular revenue stream. FFCOs do not require voter approval, and they are not subject to debt service coverage requirements.

Grants and Loans

Federal and state grant programs, once readily available for financial assistance, are generally limited in size (usually less than \$500,000), often require a sizable local match (at least 50% local match is recommended), and very competitive among jurisdictions (often focused on “distressed communities” with high poverty or unemployment levels). Nonetheless, the economic benefit of grants and low-interest loans can make the effort of applying worthwhile. Common special programs identified as potential funding sources are summarized below:

Grants: State grants for parks are administered by Oregon Department of Parks and Recreation (Local Government Grant Program, RV Campground Funds, etc.). The Metro regional government may also be a source of capital funding through the Nature in the Neighborhoods Grant Program. In May 2013, the Metro Council awarded the sixth round of funding, reaching the halfway mark for the \$15 million available from the voter-approved 2006 natural areas bond measure.

Bank and State Loans: The City of Tigard may utilize private bank loans or state loans to make strategic capital facility upgrades. State loan funds available from Business Oregon currently include the Special Public Works funds that are available on a competitive basis to public jurisdictions and can fund projects up to \$3.0 million in size.

Crowdfunding: Another innovative sources of financing that is particularly suitable to parks projects is crowdfunding. A local government can use websites like [Citizeninvestor](http://www.citizeninvestor.com/)² and [Neighbor.ly](http://neighbor.ly/)³ to list proposed projects and solicit donations. These websites then serve as an escrow between the government and contributors by ensuring that a contribution is either spent on its intended project or returned (or credited) to the contributor. Not only do these websites serve an important administrative function. They also serve the interests of economic efficiency by allowing contributors (1) to determine how they would benefit from a particular project and then (2) to contribute accordingly.

Exactions and Dedications

Public jurisdictions may require exactions or dedications from developers as a condition of development approval. This applies to capital projects identified in adopted master plans and identified as “qualified public improvements” per ORS 223.304(4). For smaller “neighborhood” parks or trails that are needed to serve a proposed development, the City can require a developer to dedicate land and construct a neighborhood park or trail segment. If the dedication addresses only the impacts of the development, then the condition is an exaction, and no SDC credits or other compensation is required. If a dedication serves growth both inside and outside the development, then only the portion required by the development can be exacted. If the “oversize” portion of the public improvement is still a condition of development approval it would be eligible for SDC credits. Legal provisions contained in relevant court rulings in particular, *Nollan v. California Coastal Commission* and *Dolan v. City of Tigard* would apply.

² <http://www.citizeninvestor.com/>

³ <http://neighbor.ly/>

OPTIONS ENTAILING SPECIAL GOVERNANCE

The preceding capital funding options are available to the City of Tigard without any change in local governance. Other governance structures could result in new sources of funding for parks. In Oregon, jurisdictions may consider forming a special service district charged with developing and maintaining qualified public facilities. There are generally two types of service districts that could help fund parks in River Terrace: 1) Parks District or 2) County Service District.

Parks District

This funding source depends upon the governance of the park system shifting from the City of Tigard to a newly formed Tigard Parks District. A park and recreation district can be viewed as a geographically and financially flexible form of municipal utility because Oregon Revised Statutes (ORS) 198.720 affords great latitude in setting the district's boundaries. The territory of a park and recreation district can include both incorporated and unincorporated areas. However, including incorporated areas requires the consent of the affected city (in this case it would be limited to the City of Tigard).

A park and recreation district is financially flexible because of the variety of revenues that it is allowed to collect. These revenues are enumerated in ORS 266.410, but the two major categories are user charges and property tax. User charges can take many forms, including monthly (i.e., parks utility) fees, one-time fees, and system development charges. Property tax can take the same forms as those currently available to the City (i.e., bond levies and local option levies), but a newly-formed district also has the opportunity to set its own permanent rate with voter approval.

Formation of park and recreation districts is governed by ORS 198.705 to 198.845 and ORS Chapter 266. The process can be initiated in one of three ways: (1) petition of 15 percent of electors (ORS 198.800), (2) petition of all landowners within the boundaries of the proposed district (ORS 198.830), or (3) county board's own motion (ORS 198.835). However the process is initiated, the next step is a first public hearing held by the county board. If the county board is inclined to form the district after the first public hearing, it will schedule a second public hearing. If the county board both (1) receives written objections from fewer than the lesser of 15 percent or 100 electors within the boundaries of the proposed district by the second public hearing and (2) does not intend to levy any form of property tax, the county board may order the formation of the district without an election. If both conditions are not met, then voter approval would be required.

ORS 198.810 allows newly-formed special districts to vote on the establishment of a permanent property tax rate. Though such a funding source may be politically problematic, it would offer the greatest stability and administrative ease of all potential revenues.

According to data obtained from the Oregon Department of Revenue,⁴ 43 park and recreation districts have a permanent property tax rate. Among these, the median permanent rate is \$0.3861 per \$1,000 of assessed value. In Washington County, the Tualatin Hills Park and Recreation District has a permanent rate of \$1.3073 per \$1,000 of assessed value.

The North Clackamas Parks and Recreation District (NCPRD) is an example of a parks district that has evolved over time. Voters approved the formation of the NCPRD in 1990 because they saw the need for greater parks and recreation services in the north end of the county, with a tax rate of 54 cents per \$1,000 in assessed valuation. In 2006, the City of Happy Valley voted to join NCPRD. NCPRD is now the park service provider for the Cities of Happy Valley, Milwaukie and a portion of the City of Damascus.

The Tigard-Tualatin Aquatic District is a recently-created special purpose district that includes the cities of Tigard, Tualatin and surrounding portions of unincorporated Washington County and Clackamas

⁴ <http://www.oregon.gov/DOR/STATS/Pages/statistics.aspx>

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County. Approved by district voters in May 2010, the aquatic district is charged with managing and operating the aquatic centers at Tigard and Tualatin High Schools. Voters within the district agreed to tax themselves at a rate of 9 cents per \$1,000 of assessed property value to keep the two pools open. This equates to an assessment of \$18 per year for a household with a \$200,000 assessed value. If the full amount of the 9 cent levy is assessed it is estimated that it will generate approximately \$800,000 annually. Voters also selected 5 out of 8 candidates that serve on the district's board.

County Service District

It is conceivable that a River Terrace County Service District (CSD) could be created to fund capital and maintenance costs of public facilities in River Terrace, including parks and trails (as well as other public facilities identified in ORS 451), as long as there is no overlapping special purpose district and the CSD is created in accordance with ORS 198 and ORS 451.

Because River Terrace is already annexed into the City of Tigard, this approach would require added administrative staff/legal costs with a concurrent approval and adoption effort by Washington County and the City of Tigard to form the district boundary.

In accordance with ORS 451.540: *"The county court may, for the purpose of establishing a revolving fund to provide money to finance the construction under ORS 451.410 to 451.585 of those service facilities in the county that may be necessary and in implementation of the master plans provided for in ORS 451.120, levy an ad valorem tax of not to exceed 50 cents per year, for a period not to exceed five years, for each \$1,000 of real market value of taxable property within all areas of the county, to be served by the facilities included in the master plan. "*

Please see the following link for additional requirements of this funding option:

http://www.oregonlegislature.gov/bills_laws/lawsstatutes/2011ors451.html

A CSD in North Bethany (all within unincorporated Washington County) was approved in 2011 that included the formation of the North Bethany CSD for the purpose of providing a dedicated source of funding for roads at a maximum levy not to exceed 25 cents per \$1,000 in assessed valuation.

Potential Funding of Operational Needs

Most financing options for operational needs are the same whether the park system is governed by the City or by a park and recreation district. However, a permanent rate property tax that is dedicated to parks is available only in a newly formed special district.

Many of the operating funding options listed below are described above. Specific operating funding options include:

- City General Fund
- Parks User Fees
- Parks and Trails Facility Maintenance & Development Utility Fee (citywide or within River Terrace District)
- Local Option Operating Levy
- Grants and Loans
- Donations, Sponsorships, Crowd Sourcing and Volunteer contributions
- Parks District formation (citywide plus unincorporated Cooper Mtn. area)
- County Service District (River Terrace special purpose district focused on parks and trails)

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Local Option Property Tax

Although Section 11(3)(b), Article XI of the Oregon Constitution prohibits the City from raising its permanent tax rate to fund parks (or for any other reason), the City can raise operating funds from a local option operating levy under Section 11(4) of the same article. Such levies can be imposed for up to five years for operating expenses or up to ten years for a capital project.

Although a local option levy is a form of property tax, the revenue derived is more risky than revenue from a permanent rate. When overlapping tax rates exceed the Measure 5 limits for any individual property, local option levies are the first tax rates to be compressed (to zero, if necessary) before any permanent rates are reduced.

NEXT STEPS

We look forward to discussion the advantages and disadvantages of these parks funding options with city staff and the River Terrace Technical Advisory Committee and the River Terrace Stakeholder Working Group. Then, will work with city staff to “shortlist” funding options for additional technical analysis.

Exhibit 2

River Terrace Parks and Trail Funding Options

Funding Option	Considerations					
	Area of Benefit	Lead	Capital Funding	Annual O&M Funding	Advantages	Disadvantages
City General Fund	Citywide	City Council	\$	\$	Flexible funding with local precedence	No guaranteed funding level; relies on annual budget process
User Fees	Citywide	City Council	\$	\$	Flexible funding with local precedence	Very limited funding potential.
Parks System Development Charge Update (SDCs)	Citywide	City Council	\$\$		Existing citywide Parks SDC can be updated to include River Terrace projects	River Terrace projects would not have priority over other city projects. SDCs cannot fund O&M costs
Supplemental River Terrace Parks & Trails SDCs	River Terrace	City Council	\$\$\$		New River Terrace SDC could dedicate funds to River Terrace, as development occurs	SDCS cannot fund O&M costs
Trails & Multimodal Transportation SDCs	Citywide or River Terrace Dist.	City Council	\$\$\$		New SDC could address multimodal needs that are not addressed in WA County TDT or Parks SDC	SDCS cannot fund O&M costs
Special Assessments (LID or Reimbursement District)	River Terrace	Property Owners & City	\$\$		Addresses specific capital improvements with construction timelines; equitable cost allocation results in majority support by affected prop. owners	Some risk to city in case of property owner default on payments
Urban Renewal District (URD)	River Terrace	City Voters	\$\$\$		New URD could generate funds as development occurs; can be used on wide range of capital projects	URDs cannot fund O&M costs; requires citywide voter approval in Tigard
Parks Facility Maintenance & Development Utility Fee	Citywide or River Terrace	City	\$	\$\$	New utility fee would provide dedicated source of funding for parks, trails and other multimodal facilities	While voter approval is not typically required, some cities seek voter approval to mitigate political issues

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Exhibit 2 (continued)

Funding Option	Considerations					
	Area of Benefit	Lead	Capital Funding	Annual O&M Funding	Advantages	Disadvantages
General Obligation Bonds (voter approved)	Project Specific	City Voters	\$\$\$		Project-specific funding source with dedicated source of stable revenue (property tax). Limited risk to City	Public voter referendum has admin cost to City with no guaranteed outcome. Cannot be used for O&M
Full Faith & Credit Bonds (not voter approved)	Project Specific	City Council	\$\$		Project-specific funding source if dedicated revenues are available	Risk to City depends on sources of dedicated revenues. Cannot be used for O&M
Local Option Levy	Program Specific	City Voters	\$\$	\$\$	Program-specific funding source for voter-approved property tax levy	Limited to 5 years (operating) or 10 years (capital). May be subject to tax compression under Measures 5 and 50
Revenue Bonds	Project Specific	City Council or Voters	\$\$		Project-specific funding source if dedicated revenues are available	Risk to City depends on sources of dedicated revenues. Interest rates are higher than GO Bonds. Cannot be used for O&M
Donations, Sponsorships, Volunteers & Crowd sourcing	Project Specific	City Council	\$	\$	Usually results in positive community involvement, and reduced cost to City	Very limited funding potential
Loans	Project Specific	City Council	\$\$	\$	Project-specific funding source if dedicated revenues are available	Risk to City depends on sources of dedicated revenues. Interest rates are higher than Bond issues
Grants	Project Specific	City Council	\$	\$	Project-specific non-local funding source	Grants are usually very competitive with limited funding availability

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Exhibit 2 (continued)

Funding Option	Considerations					
	Area of Benefit	Lead	Capital Funding	Annual O&M Funding	Advantages	Disadvantages
Exactions	Project Specific	City Council & Developer	\$		Developer constructs neighborhood parks/trails to city standard as a condition of approval	Usually limited to subdivisions with "local" neighborhood parks/trail improvements
Dedications	Project Specific	City Council & Developer	\$		Developer provides easements for parks/trails as a condition of approval; can be SDC eligible	City must fund capital improvements
County Service District Formation	New District ¹	WA County, City and District Voters ¹	\$	\$	New service district could be formed with dedicated property tax to specified purpose	Requires significant upfront and ongoing administration cost and concurrent city/county approval
Parks District Formation	New District ¹	City, WA County and District Voters ¹	\$\$	\$\$\$	New service district could be formed with dedicated property tax to specified purpose	Requires significant administration cost and creates a new layer of local governance

Notes:

¹ New Service District could extend beyond River Terrace and could include portions of unincorporated Washington County.

Legend:

\$ least positive

\$\$\$ most positive

Source: FCS GROUP and city staff.